

FEDERAL RESERVE ACT—AMENDMENT.

JANUARY 5, 1921.—Referred to the House Calendar and ordered to be printed.

MR. MCFADDEN, from the Committee on Banking and Currency, submitted the following

REPORT.

[To accompany S. 4683.]

The Committee on Banking and Currency, which has had under consideration S. 4683, to amend section 11 (m) of the act approved December 23, 1913, known as the Federal reserve act, as amended by the acts approved September 7, 1916, and March 3, 1919, reports the bill back to the House with the following amendment.

Strike out all after the enacting clause and insert the following in lieu thereof:

That section 11 of the act approved December 23, 1913, known as the Federal reserve act, as amended, be further amended by striking out the whole of subsection (m), and by substituting therefor a subsection to read as follows:

"(m) Upon the affirmative vote of not less than five of its members, the Federal Reserve Board shall have power to permit Federal reserve banks to discount for any member bank notes, drafts, or bills of exchange bearing the signature or endorsement of any one borrower in excess of the amount permitted by section 9 and section 13 of this act, but in no case to exceed 20 per centum of the member bank's capital and surplus: *Provided, however,* That all such notes, drafts, or bills of exchange discounted for any member bank in excess of the amount permitted under such sections shall be secured by not less than a like face amount of bonds or notes of the United States issued since April 24, 1917, for which the borrower shall in good faith prior to January 1, 1921, have paid or agreed to pay not less than the full face amount thereof, or certificates of indebtedness of the United States: *Provided further,* That the provisions of this subsection (m) shall not be operative after October 31, 1921."

